

AMENDED IN ASSEMBLY MAY 14, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1683**

**Introduced by Committee on Public Employees, Retirement and Social Security (Havice (Chair), Canciamilla (Vice Chair), Briggs, Chan, Firebaugh, Pescetti, and Strom-Martin)**

February 28, 2001

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*An act to amend Sections 22508, 22801, and 22803 of the Education Code, and to amend Sections 3562.2, 20057.1, 20070, 20309, 20356, 20515, 20580, 20588, 20686, 21054, ~~21100~~ 21259, 21317, 21318, 21319, 21322, 21325, 21326, 21327, 21328, 21547.7, 21751, 21757, 21758, 21761, 21764, 22819, and ~~22857~~ 22857, and 31657 of, to add Sections 20890.1 and ~~21461.5~~, 21461.5, and 22013.98 to, and to repeal Sections 20687.1, 21001, and 21002 of, the Government Code, relating to public employee benefits, and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1683, as amended, Committee on Public Employees, Retirement and Social Security. Public employee benefits.

(1) *Under existing law, members of the State Teachers' Retirement System or the Public Employees' Retirement System who become employed by any of a list of other public employers to perform service that requires membership in the other retirement system may elect to be excluded from membership in the other system and continue to have their service subject to their existing system. The retirement funds of both of those systems are continuously appropriated funds.*

*This bill, with respect to a member making that election, would require the other system to transfer from its retirement fund to the*

*retirement fund of the member's existing system an amount equal to the actuarial accrued liability of the other system for the service rendered by the member for the period between the date of hire and the date of the election, as specified. By providing a new source of funds to the retirement funds of the two retirement systems, the bill would make an appropriation.*

(2) The Public Employees' Retirement Law provides that certain benefits provisions shall be applicable to contracting agencies only if the agency's contract with the system, as originally executed or as amended, makes the provision applicable.

This bill would provide that some of those provisions shall be applicable to a contracting agency only if its contract so provided on or before December 31, 2001.

~~(2)~~

(3) Existing law authorizes members of the Public Employees' Retirement System employed by a contracting agency to withdraw their contributions to the system upon the termination of the agency's contract with the system.

This bill would make that authorization applicable to those members only if they are not employed in a position subject to coverage by the system at the time of the election to withdraw.

~~(3)~~

(4) Existing law establishes the local sheriff membership classification within the Public Employees' Retirement System. Members subject to that classification were formerly classified as county peace officers.

This bill would specify conditions for the conversion of county peace officer service to local sheriff service.

~~(4)~~

(5) Under the Public Employees' Retirement Law, contracting agencies may authorize their members to elect to receive service credit for time during which the member was on ~~was~~ war relocation leave.

This bill would repeal that provision.

~~(5)~~

(6) The Public Employees' Retirement Law provides that the monthly allowance paid to, among others, a local member who retired prior to January 1, 2000, may be increased, at the election of the contracting agency, according to a specified schedule.



This bill would provide that those increases shall be made notwithstanding the purchase power protection increase that is also provided under existing law for those retirees.

~~(6)~~

(7) Existing law authorizes a member of the Public Employees' Retirement System to elect, upon service retirement, to have the actuarial equivalent of his or her unmodified service retirement allowance paid as a temporary annuity and life income, as specified.

This bill would establish an alternative temporary annuity election that would be available to persons who first became members of the system on or after January 1, 2002.

~~(7)~~

(8) Existing law establishes a replacement benefits program for members of the Public Employees' Retirement System.

This bill would designate that program as a benefits replacement plan and would clarify that the plan is applicable to school employers and members of the system.

~~(8)~~

(9) The Public Employees' Retirement Law and Public Employees' Medical and Hospital Care Act prescribe retirement, death, and health benefits for specified public employees and their survivors.

This bill would make technical and clarifying changes to provisions of that law and act.

(10) *Existing law prescribes procedures to transfer membership from the Public Employees' Retirement System to a county retirement system subject to the County Retirement Law of 1937 for certain public safety members who were employed by a contracting agency and who are subsequently employed by a county, fire authority, or district within any of 2 or 3 specified counties as a result of the transfer of firefighting or law enforcement functions, as specified.*

*This bill would clarify that those procedures are also applicable to those public safety members who were employed by the state and who are subsequently employed by a county, fire authority, or district within all 3 counties as a result of such a transfer. The bill would also make related technical changes.*

(11) *Under existing law, the Board of Administration of the Public Employee's Retirement System administers an agreement with the federal Department of Health and Human Services for the social security coverage of employees of the state and various public agencies that contract for coverage. The existing law prescribes insurance*



*coverage pursuant to specified provisions of the federal Social Security Act for certain peace officers and firefighters based on employment classification.*

*This bill would expand the definition of “fireman” to include certain employees of the City of Long Beach who perform life saving and peace keeping duties, as specified.*

Vote: majority. Appropriation: ~~no~~ yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. *Section 22508 of the Education Code is*  
2 *amended to read:*

3 22508. (a) A member who becomes employed by the same or  
4 a different school district or community college district, or a  
5 county superintendent, or who becomes employed by the state in  
6 a position described in subdivision (b), to perform service that  
7 requires membership in a different public retirement system, and  
8 who is not excluded from membership in that public retirement  
9 system, may elect to have that service subject to coverage by the  
10 Defined Benefit Program of this plan and excluded from coverage  
11 by the other public retirement system. The election shall be made  
12 in writing on a form prescribed by this system within 60 days from  
13 the date of hire in the position requiring membership in the other  
14 public retirement system. If that election is made, the service  
15 performed for the employer after the date of hire shall be  
16 considered creditable service for purposes of this part.

17 (b) Subdivision (a) shall apply to a member who becomes  
18 employed by the state only if the member is also one of the  
19 following:

20 (1) Represented by a state bargaining unit that represents  
21 educational consultants, professional educators, or librarians  
22 employed by the state.

23 (2) Excluded from the definition of “state employee” in  
24 subdivision (c) of Section 3513 of the Government Code, but  
25 performing, supervising, or managing work similar to work  
26 performed by employees described in paragraph (1).

27 (3) In a position not covered by civil service and in the  
28 executive branch of government, but performing, supervising, or



1 managing work similar to work performed by employees  
2 described in paragraph (1).

3 (c) A member of the Public Employees' Retirement System  
4 who is employed by a school district, community college district,  
5 a county superintendent, or the State Department of Education and  
6 who is subsequently employed to perform creditable service  
7 subject to coverage by the Defined Benefit Program of this plan  
8 may elect to have that subsequent service subject to coverage by  
9 the Public Employees' Retirement System and excluded from  
10 coverage by the Defined Benefit Program pursuant to Section  
11 20309 of the Government Code. If the election is made, creditable  
12 service performed for the employer after the date of hire shall be  
13 subject to coverage by the Public Employees' Retirement System.

14 (d) An election made by a member pursuant to this section shall  
15 be irrevocable.

16 (e) (1) *Upon an election being made pursuant to subdivision*  
17 *(a) by a person who would otherwise be subject to membership in*  
18 *the Public Employees' Retirement System, this system shall accept*  
19 *a transfer from the Public Employees' Retirement Fund of an*  
20 *amount equal to the actuarial accrued liability of the Public*  
21 *Employees' Retirement System for the service rendered by the*  
22 *person from the person's date of hire in the position requiring*  
23 *membership in the Public Employees' Retirement System to the*  
24 *date the person makes the election, inclusive.*

25 (2) *Upon an election being made pursuant to subdivision (c),*  
26 *this system shall transfer to the Public Employees' Retirement*  
27 *Fund an amount equal to the actuarial accrued liability of the*  
28 *Defined Benefit Program for the service rendered by the person*  
29 *from the person's date of hire in the position subject to coverage*  
30 *by the Defined Benefit Program to the date the person makes the*  
31 *election, inclusive. The actuarial accrued liability shall be*  
32 *calculated based on the actuarial assumptions of this system for*  
33 *the most recently completed actuarial valuation as of the date of*  
34 *the election.*

35 SEC. 2. *Section 22801 of the Education Code is amended to*  
36 *read:*

37 22801. (a) A member who elects to receive additional service  
38 credit as provided in this chapter shall pay, prior to retirement, all  
39 contributions with respect to that service at the contribution rate  
40 for additional service credit, adopted by the board as a plan

1 amendment, in effect at the time of election. If the system is unable  
2 to inform the member or beneficiary of the amount required to  
3 purchase additional service credit prior to the effective date of the  
4 applicable allowance, the member or beneficiary may make the  
5 required payment within 30 working days after the date of mailing  
6 of the statement of contributions and interest required or the  
7 effective date of the appropriate allowance, whichever is later. The  
8 payment shall be paid in full before a member or beneficiary  
9 receives any adjustment in the appropriate allowance due because  
10 of that payment. Contributions shall be made in a lump sum, or in  
11 not more than 120 monthly installments. No installment, except  
12 the final installment, shall be less than twenty-five dollars (\$25).

13 (b) If the member is employed to perform creditable service  
14 subject to coverage by the Defined Benefit Program at the time of  
15 the election, the contributions shall be based upon the  
16 compensation earnable in the current school year or either of the  
17 two immediately preceding school years, whichever is highest.

18 (c) If the member is not employed to perform creditable service  
19 subject to coverage by the Defined Benefit Program at the time of  
20 the election, the contributions shall be based upon the  
21 compensation earnable in the last school year of credited service  
22 or either of the two immediately preceding school years,  
23 whichever is highest.

24 (d) The employer may pay the amount required as employer  
25 contributions for additional service credited under paragraphs (2),  
26 (6), (7), (8), and (9) of subdivision (a) of Section 22803.

27 (e) The Public Employees' Retirement System shall transfer  
28 the actuarial present value of the assets of a person who makes an  
29 election pursuant to paragraph (10) of subdivision (a) of Section  
30 22803.

31 (f) *The total amount of contributions due from the member*  
32 *under subdivision (a) shall be reduced by the amount received from*  
33 *the Public Employees' Retirement System pursuant to subdivision*  
34 *(e) of Section 22508 or paragraph (2) of subdivision (c) of Section*  
35 *20309 of the Government Code.*

36 (g) Regular interest shall be charged on all contributions from  
37 the end of the school year on which the contributions were based  
38 to the date of payment.

39 ~~(g)~~

1 (h) Regular interest shall be charged on the monthly unpaid  
2 balance if the member pays in installments. Regular interest shall  
3 not be charged or be payable for the period of a delay caused by  
4 the system's inability or failure to determine and inform the  
5 member or beneficiary of the amount of contributions and interest  
6 that is payable. The period of delay shall commence on the 20th  
7 day following the day on which the member or beneficiary who  
8 wishes to make payment evidences in writing to the system that he  
9 or she is ready, willing, and able to make payment to the system.  
10 The period of delay shall cease on the first day of the month  
11 following the mailing of notification of contributions and interest  
12 payable.

13 SEC. 3. *Section 22803 of the Education Code is amended to*  
14 *read:*

15 22803. (a) A member may elect to receive credit for any of  
16 the following:

17 (1) Service performed in a teaching position in a publicly  
18 supported and administered university or college in this state.

19 (2) Service performed in a certificated teaching position in a  
20 child care center operated by a county superintendent of schools  
21 or a school district in this state.

22 (3) Service performed in a teaching position in the California  
23 School for the Deaf or the California School for the Blind, or in  
24 special classes maintained by the public schools of this state for the  
25 instruction of the deaf, the hard of hearing, the blind, or the  
26 semisighted.

27 (4) Service performed in a certificated teaching position in a  
28 federally supported and administered Indian school in this state.

29 (5) Time served, not to exceed two years, in a certificated  
30 teaching position in a job corps center administered by the United  
31 States government in this state if the member was employed to  
32 perform creditable service subject to coverage under the Defined  
33 Benefit Program within one year prior to entering the job corps and  
34 returned to employment to perform creditable service subject to  
35 coverage under the Defined Benefit Program within six months  
36 following the date of termination of service in the job corps.

37 (6) Time spent on a sabbatical leave after July 1, 1956.

38 (7) Time spent on an approved leave to participate in any  
39 program under the federal Mutual Educational and Cultural  
40 Exchange Program.



(8) Time spent on an approved maternity or paternity leave of two years or less in duration, regardless of whether or not the leave was taken before or after the addition of this subdivision.

(9) Time spent on an approved leave, up to four months in any 12-month period, for family care or medical leave purposes, as defined by Section 12945.2 of the Government Code, as it read on the date leave was granted, excluding maternity and paternity leave.

(10) Time spent employed by the Board of Governors of the California Community Colleges in a position subject to coverage by the Public Employees' Retirement System between July 1, 1991, and December 31, 1997, provided the member has elected to return to coverage under the State Teachers' Retirement System pursuant to Section 20309 of the Government Code.

*(11) Time spent employed by the same or different school district or community college district, or county superintendent for the service rendered by the person from the person's date of hire in the position requiring membership in the Public Employees' Retirement System to the date the person elects coverage under the California State Teachers' Retirement System pursuant to Section 22508 and Section 20309 of the Government Code.*

(b) In no event shall the member receive credit for service or time described in paragraphs (1) to ~~(10)~~ (11), inclusive, of subdivision (a) if the member has received or is eligible to receive credit for the same service or time in the Cash Balance Benefit Program under Part 14 (commencing with Section 26000) or another retirement system.

SEC. 4. Section 3562.2 of the Government Code is amended to read:

3562.2. Notwithstanding subdivision (r) of Section 3562, for purposes of the California State University only, "scope of representation" also means any retirement benefits available to a state member under Part 3 (commencing with Section 20000) of Title 2.

~~SEC. 2.—~~

SEC. 5. Section 20057.1 of the Government Code is amended to read:

20057.1. To qualify as a "public agency" within the meaning of this part, any organization that qualifies under amendments to the definitions of "public agency" effective on or after January 1,



2002, shall also obtain a written advisory opinion from the United States Department of Labor stating that the organization is an agency or instrumentality of the state or a political subdivision thereof within the meaning of Sections 1001 et seq. of Title 29 of the United States Code.

~~SEC. 3.—~~

SEC. 6. Section 20070 of the Government Code is amended to read:

20070. “1959 survivor allowance” means the allowance provided for in Sections 21571, 21572, 21573, 21574, 21574.5, and 21574.7.

~~SEC. 4.—~~

SEC. 7. *Section 20309 of the Government Code is amended to read:*

20309. (a) A member of the system who is employed by a school employer, the Board of Governors of the California Community Colleges, or the State Department of Education and who subsequently is employed to perform service subject to coverage by the Defined Benefit Program of the State Teachers’ Retirement Plan, may elect to retain coverage by this system for that subsequent service. An election to retain coverage under this system shall be submitted in writing by the member to the system on a form prescribed by the system, and a copy of the election shall be submitted to the State Teachers’ Retirement System, within 60 days after the member’s date of hire to perform service that requires membership in the Defined Benefit Program of the State Teachers’ Retirement Plan. A member who elects to retain coverage under this system pursuant to this section shall be deemed to be a school member while employed by a school employer.

(b) Any election made pursuant to this section shall become effective as of the first day of employment in the position that qualified the member to make an election.

(c) (1) *Upon an election being made pursuant to this section, this system shall accept a transfer from the Teachers’ Retirement Fund of an amount equal to the actuarial accrued liability of the Defined Benefit Program of the State Teachers’ Retirement Plan for the service rendered by the person from the person’s date of hire in the position subject to coverage by the Defined Benefit Program to the date the person makes the election, inclusive.*

(2) Upon an election being made pursuant to subdivision (a) of Section 22508 of the Education Code by a person who would otherwise be subject to membership in this system, this system shall transfer to the Teachers' Retirement Fund an amount equal to the actuarial accrued liability of this system for the service rendered by the person from the person's date of hire in the position requiring membership in this system to the date the person makes the election, inclusive. The actuarial accrued liability shall be calculated based on the actuarial assumptions of this system for the most recently completed actuarial valuation as of the date of the election.

SEC. 8. Section 20356 of the Government Code is amended to read:

20356. Whenever in this part the rights of a local member, because of membership in another retirement system, are conditioned upon employment within six months of termination of membership in this system or another retirement system, the period shall be one year rather than six months if the local member was an elective officer and becomes a member of another retirement system upon commencement of service in another elective office on and after January 1, 1977.

This section shall not apply unless the other employer in a reciprocal system elected a similar provision, nor shall it apply to any contracting agency nor to the employees of any contracting agency unless that agency elected to be subject to the provisions of this section in its contract with the board on or before December 31, 2001.

~~SEC. 5.—~~

SEC. 9. Section 20515 of the Government Code is amended to read:

20515. (a) A contracting agency that has included this section in its contract with the board, by express provision or by amendment, on or before December 31, 2001, may provide that, notwithstanding any other provision of this part, service that was in fact also covered under the federal system shall not be deemed as service that was also covered under the federal system, for all purposes of this part, except for the benefits provided by Article 3 (commencing with Section 21570) of Chapter 14. The amendment shall only be applicable to persons who are employed on and after the effective date of the amendment.

(b) The amendment made to this section by Chapter 636 of the Statutes of 1994 shall apply only to a contracting agency that includes this section in its contract on and after January 1, 1995, and on or before December 31, 2001.

~~SEC. 6.—~~

*SEC. 10.* Section 20580 of the Government Code is amended to read:

20580. Upon the termination of a contract, all memberships in this system existing because of that contract continue in existence to the extent that there are accumulated contributions to the credit of each local member, but any member may elect to withdraw his or her accumulated contributions if the member is not employed in a position subject to coverage by the system at the time of election. The status of any member who does not withdraw his or her accumulated contributions shall be the same as if the public agency had continued as a contracting agency. The membership of any member who is eligible and who elects to withdraw his or her accumulated contributions shall be terminated forthwith, and he or she shall not be entitled to any further benefit based upon service credited as an employee of the contracting agency, nor shall he or she have the right to redeposit those withdrawn contributions upon again becoming a member of this system. The portion of the contributions of the contracting agency held under Section 20576 to the credit of each member shall be determined by the board, and may be adjusted from time to time prior to termination of membership. A member whose membership continues under this section is subject to the same age and incapacity requirements as apply to other members for service or for disability retirement, but he or she is not subject to a minimum service requirement. Except as provided in Section 20578, he or she shall receive the retirement benefits as his or her accumulated contributions, together with the portion of the excess of the contributions of the contracting agency as are credited to him or her, shall provide, as determined by the board, but the provisions of this part relative to minimum retirement allowances shall not apply to him or her, nor shall those benefits exceed the benefits provided by the contract prior to its termination. Upon the death of a member, the basic death benefit shall be his or her accumulated contributions.

~~SEC. 7.—~~

1     *SEC. 11.* Section 20588 of the Government Code is amended  
2 to read:  
3     20588. Notwithstanding any other provision of this article,  
4 the board may, pursuant to this section and Section 31657, enter  
5 into an agreement with the board of retirement of a county  
6 maintaining a county retirement system, for termination of  
7 participation of a public agency whose contract has been in effect  
8 for at least five years in this system or the state with respect to  
9 certain safety members who have ceased to be employed by the  
10 public agency *or the state* and have been employed by a county,  
11 fire authority, or district as a result of a transfer of firefighting or  
12 law enforcement functions from the public agency *or the state* to  
13 the county, fire authority, or district and inclusion of the former  
14 public agency employees in that county retirement system. The  
15 agreement shall contain provisions the board finds necessary to  
16 protect the interests of this system for determination of the amount,  
17 time, manner of transfer of cash or the securities, or both, to be  
18 transferred to the county system as representing the actuarial value  
19 of the interests in the retirement fund of the public agency *or the*  
20 *state* and the transferred employees by reason of accumulated  
21 contributions credited to that public agency *or the state* and the  
22 employees transferred. The agreement shall apply only to  
23 employees who are employed by the county or district on the  
24 effective date of the agreement. All liability of this system with  
25 respect to the members transferred under that agreement shall  
26 cease and shall become the liability of the county retirement  
27 system as of the date of transfer specified in the agreement.  
28 Liability of the county retirement system shall be for payment of  
29 benefits to transferred employees in accordance with Chapter 3  
30 (commencing with Section 31450) of Part 3 of Division 4 of Title  
31 3. Any member transferred who becomes a member of a county  
32 retirement system upon that transfer date shall be subject to  
33 provisions of this part and of Chapter 3 (commencing with Section  
34 31450) of Part 3 of Division 4 of Title 3 extending rights to a  
35 member or subjecting him or her to limitations because of  
36 membership in another retirement system to the same extent that  
37 he or she would have been had he or she been a member of the  
38 county retirement system during his or her membership in this  
39 system.

1 This section shall apply only in ~~Los Angeles-Kern~~, *Los Angeles*,  
2 and Orange Counties.

3 ~~SEC. 8.—~~

4 *SEC. 12.* Section 20686 of the Government Code is amended  
5 to read:

6 20686. For each state safety member defined in Section  
7 20401 and whose current and prior service pensions shall be  
8 computed pursuant to Section 21373, the normal rate of  
9 contribution shall be 8 percent and shall be made only on the  
10 compensation in excess of two hundred thirty-eight dollars (\$238)  
11 per month. The Legislature reserves the right to increase the rate  
12 of contribution as it may find appropriate from time to time. No  
13 adjustment shall be included in rates adopted under this section as  
14 the result of amendments hereto, changing the time at which  
15 members may retire or the benefits members shall receive, because  
16 of time during which members have contributed at different rates  
17 prior to that adoption.

18 ~~SEC. 9.—~~

19 *SEC. 13.* Section 20687.1 of the Government Code is  
20 repealed.

21 ~~SEC. 10.—~~

22 *SEC. 14.* Section 20890.1 is added to the Government Code,  
23 to read:

24 20890.1. Past county peace officer service shall be converted  
25 to local sheriff service if all of the following apply to the past  
26 service:

27 (a) It was rendered in a position that has subsequently been  
28 reclassified as a local sheriff position according to the provisions  
29 of Section 20432.

30 (b) It was rendered by a current employee of the same agency  
31 for which the county peace officer service was performed.

32 (c) It is credited to an employee who has other local sheriff  
33 service credit for service performed with the agency.

34 ~~SEC. 11.—~~

35 *SEC. 15.* Section 21001 of the Government Code is repealed.

36 ~~SEC. 12.—~~

37 *SEC. 16.* Section 21002 of the Government Code is repealed.

38 ~~SEC. 13.—~~

39 *SEC. 17.* Section 21054 of the Government Code is amended  
40 to read:

1 21054. Notwithstanding any other provision of law, a  
 2 member or retired member who elected to purchase military  
 3 service credit under Section 21024 or 21027 on or after January 1,  
 4 1999, and prior to January 1, 2001, may, at any time prior to  
 5 making the final payment for the service credit, elect to have the  
 6 cost of that service credit recalculated pursuant to Section 21052.  
 7 If that cost as recalculated under Section 21052 is less than the cost  
 8 as originally calculated, the member or retired member shall pay  
 9 the lesser amount, with credit for the payments previously made.  
 10 However, no refund shall be payable to a member or retired  
 11 member as a result of the recalculation of cost pursuant to this  
 12 section.

13 ~~SEC. 14. Section 21100 of the Government Code is amended~~  
 14 ~~to read:~~

15 ~~21100. (a) The service retirement allowance for a local~~  
 16 ~~miscellaneous member who is subject to this article is a pension~~  
 17 ~~derived from the contributions of the employer sufficient, when~~  
 18 ~~added to the service retirement annuity that is derived from the~~  
 19 ~~accumulated normal contributions of the member at the date of~~  
 20 ~~retirement, to equal the fraction of one hundredth of the member's~~  
 21 ~~final compensation set forth opposite the member's age at~~  
 22 ~~retirement, taken to the preceding completed quarter year in the~~  
 23 ~~following table, multiplied by the member's number of years of~~  
 24 ~~local miscellaneous service subject to this article:~~

25	Fraction	
26		
27	50 .....	-.5000
28	50 $\frac{1}{4}$ ...	-.5167
29	50 $\frac{1}{2}$ ...	-.5334
30	50 $\frac{3}{4}$ ...	-.5500
31	51 .....	-.5667
32	51 $\frac{1}{4}$ ...	-.5834
33	51 $\frac{1}{2}$ ...	-.6000
34	51 $\frac{3}{4}$ ...	-.6167
35	52 .....	-.6334
36	52 $\frac{1}{4}$ ...	-.6500
37	52 $\frac{1}{2}$ ..	-.6667
38	52 $\frac{3}{4}$ ...	-.6834
39	53 .....	-.7000
40	53 $\frac{1}{4}$ ...	-.7167

1	$53\frac{1}{2}$ ....	-.7334
2	$53\frac{3}{4}$ ....	-.7500
3	54 .....	-.7667
4	$54\frac{1}{4}$ ....	-.7834
5	$54\frac{1}{2}$ ....	-.8000
6	$54\frac{3}{4}$ ....	-.8167
7	55 .....	-.8334
8	$55\frac{1}{4}$ ....	-.8500
9	$55\frac{1}{2}$ ....	-.8667
10	$55\frac{3}{4}$ ....	-.8834
11	56 .....	-.9000
12	$56\frac{1}{4}$ ....	-.9167
13	$56\frac{1}{2}$ ....	-.9334
14	$56\frac{3}{4}$ ....	-.9500
15	57 .....	-.9667
16	$57\frac{1}{4}$ ....	-.9834
17	$57\frac{1}{2}$ ....	+1.0000
18	$57\frac{3}{4}$ ....	+1.0167
19	58 .....	+1.0334
20	$58\frac{1}{4}$ ....	+1.0500
21	$58\frac{1}{2}$ ....	+1.0667
22	$58\frac{3}{4}$ ....	+1.0834
23	59 .....	+1.1000
24	$59\frac{1}{4}$ ....	+1.1167
25	$59\frac{1}{2}$ ....	+1.1334
26	$59\frac{3}{4}$ ....	+1.1500
27	60 .....	+1.1667
28	$60\frac{1}{4}$ ....	+1.1834
29	$60\frac{1}{2}$ ....	+1.2000
30	$60\frac{3}{4}$ ....	+1.2167
31	61 .....	+1.2334
32	$61\frac{1}{4}$ ....	+1.2500
33	$61\frac{1}{2}$ ....	+1.2667
34	$61\frac{3}{4}$ ....	+1.2834
35	62 .....	+1.3000
36	$62\frac{1}{4}$ ....	+1.3167
37	$62\frac{1}{2}$ ....	+1.3334
38	$62\frac{3}{4}$ ....	+1.3500
39	63 .....	+1.3667





1	<del>63 <math>\frac{1}{4}</math> . . .</del>	<del>1.3834</del>
2	<del>63 <math>\frac{1}{2}</math> . . .</del>	<del>1.4000</del>
3	<del>63 <math>\frac{3}{4}</math> . . .</del>	<del>1.4167</del>
4	<del>64 . . . . .</del>	<del>1.4334</del>
5	<del>64 <math>\frac{1}{4}</math> . . .</del>	<del>1.4500</del>
6	<del>64 <math>\frac{1}{2}</math> . . .</del>	<del>1.4667</del>
7	<del>64 <math>\frac{3}{4}</math> . . .</del>	<del>1.4834</del>
8	<del>65 . . . . .</del>	<del>1.5000</del>
9		

(b) ~~The service retirement allowance for a local miscellaneous member who, pursuant to Section 21095, elects to be subject to this article shall be the sum of the allowance for service rendered subsequent to the effective date of the election computed pursuant to subdivision (a) of this section, added to the allowance for service rendered as a local miscellaneous member prior to the effective date of the election, computed pursuant to the formula specified in the employer's contract with the board.~~

(c) ~~This section shall not apply to any contracting agency unless that agency elected to be subject to the provisions of this section in its contract with the board on or before December 31, 2001.~~

~~SEC. 15.—~~

*SEC. 18. Section 21259 of the Government Code is amended to read:*

21259. Subject to compliance with this part, after a member has qualified as to service and disability for retirement for disability, or as to age and service for retirement for service, nothing shall deprive *him* or her of the right to a retirement allowance as determined under this part.

*SEC. 19. Section 21317 of the Government Code is amended to read:*

21317. (a) In addition to the increase of allowance authorized by and granted pursuant to Section 21313 and notwithstanding the limitation in subdivision (b) of Section 21329, any monthly allowance computed under or limited by any section other than Section 21362, as amended by Chapter 96 of the Statutes of 1971, and paid with respect to a local safety member whose retirement for service or nonindustrial death before retirement occurred prior to the date the contracting agency elected to be subject to Section 21362 as so amended, shall be increased by 15 percent. The

percentage shall be applied to the allowance payable on the date this section becomes applicable to the contracting agency and the allowance as so increased shall be paid for time on and after that date and until the first day of April immediately following the date of application. The base allowance shall be increased by the same percentage for annual adjustments beginning with the adjustment effective for time commencing with that annual adjustment.

(b) For the purposes of this section, all contributions, liabilities, actuarial interest rates, and other valuation factors shall be determined on the basis of actuarial assumptions and methods that, in the aggregate, are reasonable and that, in combination, offer the actuary's best estimate of anticipated experience under the system.

(c) The additional employer contributions required under this section shall be computed as a level percentage of member compensation. The additional contribution rate required at the time this section is added to a contract shall not be less than the sum of (1) the actuarial normal cost and (2) the additional contribution required to amortize the increase in accrued liability attributable to benefits elected under this section over a period of not more than 30 years from the date this section becomes effective in the contracting agency's contract.

(d) This section shall not apply to any contracting agency nor to the employees of any contracting agency unless that agency elected to be subject to the provisions of this section in its contract with the board on or before December 31, 2001.

~~SEC. 16.~~

*SEC. 20.* Section 21318 of the Government Code is amended to read:

21318. (a) In addition to the increase of allowance authorized by and granted pursuant to Section 21313 and notwithstanding the limitation in subdivision (b) of Section 21329, any monthly allowance computed under or limited by any section other than Section 21362, as amended by Chapter 96 of the Statutes of 1971, and paid with respect to a local safety member whose retirement for service or nonindustrial death before retirement occurred, or who was granted an industrial or nonindustrial disability retirement, prior to the date the contracting agency elected to be subject to Section 21362 as so amended, shall be increased by 15 percent. The percentage shall be applied to the allowance payable on the date this section becomes applicable to the contracting

1 agency and the allowance as so increased shall be paid for time on  
2 and after that date and until the first day of April immediately  
3 following the date of application. The base allowance shall be  
4 increased by the same percentage for annual adjustments  
5 beginning with the adjustment effective for time commencing  
6 with that annual adjustment.

7 (b) For the purposes of this section, all contributions, liabilities,  
8 actuarial interest rates, and other valuation factors shall be  
9 determined on the basis of actuarial assumptions and methods that,  
10 in the aggregate, are reasonable and that, in combination, offer the  
11 actuary's best estimate of anticipated experience under this  
12 system.

13 (c) The additional employer contributions required under this  
14 section shall be computed as a level percentage of member  
15 compensation. The additional contribution rate required at the  
16 time this section is added to a contract shall not be less than the sum  
17 of (1) the actuarial normal cost and (2) the additional contribution  
18 required to amortize the increase in accrued liability attributable  
19 to benefits elected under this section over a period of not more than  
20 30 years from the date this section becomes effective in the  
21 contracting agency's contract.

22 (d) This section shall not apply to any contracting agency nor  
23 to the employees of any contracting agency unless that agency  
24 elected to be subject to the provisions of this section in its contract  
25 with the board on or before December 31, 2001.

26 ~~SEC. 17.~~

27 *SEC. 21.* Section 21319 of the Government Code is amended  
28 to read:

29 21319. (a) In addition to the increase of allowance authorized  
30 by and granted pursuant to Section 21313 and notwithstanding the  
31 limitation in subdivision (b) of Section 21329, any monthly  
32 allowance computed under or limited by a retirement formula  
33 applicable to local miscellaneous members who retired prior to  
34 July 1, 1971, or to local miscellaneous members who so retired and  
35 then were reinstated from retirement and retired again after July  
36 1, 1971, and whose allowance is based upon such a formula and  
37 paid with respect to a local miscellaneous member whose  
38 retirement or whose initial retirement or death before retirement  
39 occurred prior to July 1, 1971, shall be increased by 15 percent.  
40 The percentage shall be applied to the allowance payable on the

date this section becomes applicable to the contracting agency and the allowance as so increased shall be paid for time on and after that date and until the first day of April immediately following the date of the application. The base allowance shall be increased by the same percentage for annual adjustments beginning with the adjustment effective for time commencing with that annual adjustment.

(b) This section shall apply only to the portion of the allowance that is based on service in employment with the employer electing to be subject to this section.

(c) This section shall not apply to any contracting agency nor to the employees of any contracting agency unless that agency elected to be subject to the provisions of this section in its contract with the board on or before December 31, 2001.

~~SEC. 18.—~~

SEC. 22. Section 21322 of the Government Code is amended to read:

21322. Section 21320 shall apply to any contracting agency that has included the provisions of that section in its contract with the board on or before December 31, 2001.

~~SEC. 19.—~~

SEC. 23. Section 21325 of the Government Code is amended to read:

21325. (a) In addition to the increase in allowance authorized by and granted pursuant to the provisions of Section 21313, and notwithstanding the limitation on those increases imposed by this article, the monthly allowance paid with respect to a local member, other than a school member, who retired or died prior to January 1, 1974, shall be increased by the percentage set forth opposite the period in the following table during which retirement became effective or death occurred:

Period during which retirement or death occurred:	Percentage:
On or before December 31, 1965 . . . . .	15%
12 months ending December 31, 1966 . . . . .	14%
12 months ending December 31, 1967 . . . . .	13%
12 months ending December 31, 1968 . . . . .	12%
12 months ending December 31, 1969 . . . . .	9%
12 months ending December 31, 1970 . . . . .	6%

1	12 months ending December 31, 1971 . . . . .	5%
2	12 months ending December 31, 1972 . . . . .	4%
3	12 months ending December 31, 1973 . . . . .	3%

4  
5 (b) The percentage shall be applied to the allowance payable on  
6 the date this section becomes applicable to the contracting agency,  
7 and the allowance as so increased shall be paid for time on and after  
8 that date and until the first day of April immediately following the  
9 date of application. The base allowance shall be the allowance as  
10 increased under this section. The base year for annual adjustments  
11 of allowances increased by this section shall be the calendar year  
12 preceding the year of increase if the increase date is after April 1st  
13 of any calendar year, and the second calendar year preceding the  
14 year of increase if the increase date is on or before April 1st of any  
15 calendar year.

16 (c) This section shall not apply to any contracting agency  
17 unless that agency elected to be subject to the provisions of this  
18 section in its contract with the board on or before December 31,  
19 2001.

20 ~~SEC. 20.~~

21 *SEC. 24.* Section 21326 of the Government Code is amended  
22 to read:

23 21326. (a) In addition to the increase in allowance authorized  
24 by and granted pursuant to the provisions of Section 21313, and  
25 notwithstanding the limitation on ~~such~~ *those* increases imposed by  
26 this article, the monthly allowance paid with respect to a local  
27 member, other than a school member, who retired or died prior to  
28 July 1, 1974, shall be increased by the percentage set forth opposite  
29 the period in the following table during which retirement became  
30 effective or death occurred:

31		
32	Period during which retirement	
33	or death occurred:	Percentage:
34	On or before December 31, 1965 . . . . .	7%
35	12 months ending December 31, 1966 . . . . .	6%
36	12 months ending December 31, 1967 . . . . .	5%
37	12 months ending December 31, 1968 . . . . .	4%
38	12 months ending December 31, 1969 . . . . .	3%
39	18 months ending June 30, 1971 . . . . .	2%
40	36 months ending June 30, 1974 . . . . .	1%

(b) The percentage shall be applied to the allowance payable on the date this section becomes applicable to the contracting agency, and the allowance as so increased shall be paid for time on and after that date and until the first day of April immediately following the date of application. The base allowance shall be the allowance as increased under this section. The base year for annual adjustments of allowances increased by this section shall be the calendar year preceding the year of increase if the increase date is after April 1st of any calendar year, and the second calendar year preceding the year of increase if the increase date is on or before April 1st of any calendar year.

(c) This section shall not apply to any contracting agency unless the agency elected to be subject to the provisions of this section in its contract with the board on or before December 31, 2001.

~~SEC. 21.—~~

SEC. 25. Section 21327 of the Government Code is amended to read:

21327. In addition to the increase in allowance authorized and granted pursuant to provisions of Section 21313, and notwithstanding the limitation on ~~such~~ *those* increases imposed by this article, effective January 1, 1980, or the date this section becomes applicable to the contracting agency, the monthly allowance paid with respect to a state or local member, other than a school member, who retired or died prior to January 1, 1975, shall be increased by the percentage set forth opposite the year of retirement or death in the following schedule:

Period During Which Retirement

or Death Occurred

Percentage

12 months ending Dec. 31, 1967 .....	1.51
12 months ending Dec. 31, 1968 .....	1.26
12 months ending Dec. 31, 1969 .....	1.86
12 months ending Dec. 31, 1970 .....	2.55
6 months ending June 30, 1971 .....	1.91
6 months ending Dec. 31, 1971 .....	7.05
12 months ending Dec. 31, 1972 .....	6.76
12 months ending Dec. 31, 1973 .....	4.45
6 months ending June 30, 1974 .....	0.47
6 months ending Dec. 31, 1974 .....	1.31

The percentage shall be applied to the allowance payable on January 1, 1980, or the date this section becomes applicable to the contracting agency, and the allowance as so increased shall be paid for time on and after the date and until the first day of April immediately following the date of application. The base allowance shall be the allowance as increased under this section. The base year for annual adjustments of allowances increased by this section shall be the calendar year preceding the year of increase if the increase date is after April 1st of any calendar year, and the second calendar year preceding the year of increase if the increase date is on or before April 1st of any calendar year.

This section shall not apply to any contracting agency unless the agency elected to be subject to the provisions of this section in its contract with the board on or before December 31, 2001.

~~SEC. 22.~~—

*SEC. 26.* Section 21328 of the Government Code is amended to read:

21328. (a) In addition to the increase in allowance authorized and granted pursuant to Section 21313, and notwithstanding the limitation on that increase imposed by this article and subdivision (b) of Section 21337 or subdivision (a) of Section 21337.1, effective January 1, 2000, or the date this section becomes applicable to the contracting agency, the monthly allowance paid with respect to a state, local, or school member who retired or died prior to January 1, 2000, or the date this section becomes applicable to the contracting agency, other than an allowance provided by Article 3 (commencing with Section 21570) of Chapter 14, shall be increased by the percentage set forth opposite the year of retirement or death in the following schedule:

Period during which retirement or death occurred:	Percentage:
24 months ending Dec. 31, 1999	0.0%
12 months ending Dec. 31, 1997	1.0%
24 months ending Dec. 31, 1996	2.0%
60 months ending Dec. 31, 1994	3.0%
60 months ending Dec. 31, 1989	4.0%



1	120 months ending Dec. 31, 1984	5.0%
2	12 months ending Dec. 31, 1974	
3	or earlier	6.0%

4

5 The percentage shall be applied to the allowance payable on  
6 January 1, 2000, or the date this section becomes applicable to the  
7 contracting agency, and the allowance as so increased shall be paid  
8 for time on and after that date and until the first day of April  
9 immediately following the date of application. The base allowance  
10 shall be the allowance as increased under this section.  
11 Notwithstanding Section 21337 or 21337.1 to the contrary, this  
12 increase shall not be included in determining the initial monthly  
13 allowance upon which a supplemental benefit is payable pursuant  
14 to Section 21337 or 21337.1.

15 (b) This section shall not apply to any contracting agency  
16 unless and until the agency elects to be subject to its provisions by  
17 amendment to its contract, made in the manner prescribed for  
18 approval of contracts, or, in the case of contracts made after the  
19 effective date of this section, by an express provision in the  
20 contract making the contracting agency subject to the provisions  
21 of this section.

22 ~~SEC. 23.—~~

23 *SEC. 27.* Section 21461.5 is added to the Government Code,  
24 to read:

25 21461.5. (a) Notwithstanding Section 21461, a member  
26 retiring for service who became a member of the system on or after  
27 January 1, 2002, and who is covered under the federal system but  
28 is not yet receiving a retirement or disability benefit under that  
29 system, may elect to have the actuarial equivalent of his or her  
30 unmodified service retirement allowance paid in two parts as  
31 follows:

32 (1) A temporary annuity that shall not exceed the primary  
33 social security benefit that is anticipated the member shall be  
34 entitled to receive at social security retirement age, which age shall  
35 be designated by the member.

36 (2) A life income consisting of the member's service retirement  
37 annuity plus the pension provided by the actuarial value of the  
38 member's current and prior service pensions remaining after  
39 providing the temporary annuity in paragraph (1).



1 (b) The temporary annuity under paragraph (1) of subdivision  
2 (a) shall not be subject to further optional settlement under this  
3 article and shall be payable monthly as an addition to the member's  
4 monthly life income beginning on the member's effective date of  
5 retirement and continuing until the retired member attains the age  
6 designated by the member under subdivision (a). If the member  
7 dies prior to the designated age, the commuted value of any  
8 installments payable for the period remaining until the member  
9 would have attained that age shall be paid to the member's  
10 designated beneficiary in a lump sum.

11 ~~SEC. 24.~~—

12 *SEC. 28.* Section 21547.7 of the Government Code is  
13 amended to read:

14 21547.7. (a) Notwithstanding any other provision of this  
15 article requiring attainment of the minimum age for voluntary  
16 service retirement applicable to him or her in his or her last  
17 employment preceding death, upon the death of a local firefighter  
18 member while in the employ of an agency subject to this section  
19 on or after January 1, 2001, who is credited with 20 years or more  
20 of state service, the surviving spouse, or eligible children, if there  
21 is no eligible spouse, may receive a monthly allowance in lieu of  
22 the basic death benefit. The board shall notify the eligible survivor,  
23 as defined in Section 21546, of this alternate death benefit. The  
24 board shall calculate the monthly allowance that shall be payable  
25 as follows:

26 (1) To the member's surviving spouse, an amount equal to the  
27 amount the member would have received if he or she had retired  
28 for service at the minimum retirement age on the date of death and  
29 had elected optional settlement 2 and Section 21459. The  
30 retirement allowance shall be calculated using all service earned  
31 by the member in this system.

32 (2) If the member made a specific beneficiary designation  
33 under Section 21490, the monthly allowance shall be based only  
34 on that portion of the amount the member would have received  
35 described in paragraph (1) that would have been derived from the  
36 nonmember spouse's community property interest in the  
37 member's contributions and service credit.

38 (3) If there is no surviving spouse or the spouse dies before all  
39 of the children of the deceased member attain the age of 18 years,  
40 to the surviving children, under the age of 18 years, collectively,

an amount equal to one-half of, and derived from the same source as, the unmodified allowance the member would have received if he or she had retired for service at the minimum retirement age on the date of death. No child shall receive any allowance after marrying or attaining the age of 18 years. As used in this paragraph, “surviving children” includes a posthumously born child or children of the member. The retirement allowance shall be calculated using all service earned by the member in this system.

(4) The cost of the allowance paid pursuant to this subdivision shall be paid from the assets of the employer at the member’s date of death. All member contributions made by the member to this system shall be transferred to the plan assets of the employer liable for the funding of this benefit.

(b) (1) Upon the death of a local firefighter member while in the employ of an agency subject to this section on or after January 1, 2001, who is credited with 20 years or more of state service and who has attained the minimum age for voluntary service retirement applicable to him or her in his or her last employment preceding death, the surviving spouse may elect to receive a monthly allowance that is equal to the amount that member would have received if the member had been retired from service on the date of death and had elected optional settlement 2 and Section 21459 in lieu of the basic death benefit. The retirement allowance shall be calculated using all service earned by the member in this system.

(2) If the member made a specific beneficiary designation under Section 21490, the monthly allowance shall be based only on that portion of the amount the member would have received described in paragraph (1) that would have been derived from the nonmember spouse’s community property interest in the member’s contributions and service credit.

(3) If there is no surviving spouse or the spouse dies before all of the children of the deceased member attain the age of 18 years, the allowance shall continue to the surviving children, under the age of 18 years, collectively, in *an* amount equal to one-half of, and derived from the same source as, the unmodified allowance the member would have received if he or she had been retired from service on the date of death. No child shall receive any allowance after marrying or attaining the age of 18 years. As used in this paragraph, “surviving children” includes a posthumously born

1 child or children of the member. The retirement allowance will be  
2 calculated using all service earned by the member in this system.

3 (4) The cost of the increase in service allowance paid pursuant  
4 to this subdivision shall be paid from the assets of the employer at  
5 the member's date of death.

6 (c) This section shall not apply to any contracting agency, nor  
7 to the employees of any contracting agency, unless and until the  
8 agency elects to be subject to this section by amendment to its  
9 contract made in the manner prescribed for approval of contracts,  
10 except that an election among the employees is not required.

11 ~~SEC. 25.~~

12 *SEC. 29.* Section 21751 of the Government Code is amended  
13 to read:

14 21751. The definitions in Part 3 (commencing with Section  
15 20000) shall apply to this part. The following definition shall also  
16 govern the interpretation of this part:

17 "Participating agency" means any public agency that meets the  
18 criteria for becoming a contracting agency in this system pursuant  
19 to Chapter 5 (commencing with Section 20460) of Part 3, but that  
20 has not elected to participate in this system as a contracting agency,  
21 and that elects to contract with the board to participate in the  
22 replacement benefit plan administered pursuant to this part by the  
23 board.

24 ~~SEC. 26.~~

25 *SEC. 30.* Section 21757 of the Government Code is amended  
26 to read:

27 21757. (a) If the retirement benefits of any member or his or  
28 her survivors or beneficiaries payable pursuant to Part 3  
29 (commencing with Section 20000) would be limited by Section  
30 415 of Title 26 of the United States Code, the board shall adjust the  
31 payment of those benefits, including, but not limited to,  
32 cost-of-living adjustments, cost-of-living banks, temporary  
33 annuities, survivor continuance benefits, or any combinations  
34 thereof, in order to maximize benefits within the limits of Section  
35 415.

36 (b) The board shall establish a plan of replacement benefits for  
37 members and any survivors or beneficiaries whose retirement  
38 benefits are limited by Section 415 and cannot be fully maximized  
39 pursuant to Part 3 (commencing with Section 20000). The benefits  
40 provided by that plan may consist of deferred compensation, cash

1 payments, health benefits, or supplemental disability benefits, as  
2 shall be determined by the board to give effect to the purpose of  
3 this part. The factors the board may take into consideration in  
4 making its determination shall include, but not be limited to, the  
5 following: legal constraints, administrative feasibility, and cost  
6 effectiveness. The board may periodically modify the replacement  
7 benefits plan and may add or eliminate any type of replacement  
8 benefits, as necessary, to carry out the purpose of this part. The  
9 administrative costs of the replacement benefits plan shall be  
10 satisfied out of funds credited to the accounts of the participant  
11 members, and shall not be paid from the retirement fund or the  
12 retirement trust fund of a participating agency.

13 (c) The application of Section 415 to benefits provided under  
14 Part 3 (commencing with Section 20000) and this part shall not be  
15 taken into account for purposes of determining employers' or  
16 employees' contribution rates, until replacement benefits are  
17 implemented pursuant to Section 21758.

18 (d) Under no circumstances shall the replacement benefit plan  
19 result in increased benefit costs to an employer, member, or  
20 annuitant.

21 ~~SEC. 27.—~~

22 *SEC. 31.* Section 21758 of the Government Code is amended  
23 to read:

24 21758. (a) There is in the State Treasury a Replacement  
25 Benefit Custodial Fund, that shall be administered exclusively by  
26 the board, that is separate and apart from the retirement fund or any  
27 other retirement trust fund and that is, notwithstanding Section  
28 13340, continuously appropriated, without regard to fiscal years,  
29 to the board to carry out the purposes of this part.

30 (b) The earnings on the assets of the Replacement Benefit  
31 Custodial Fund are continuously appropriated to the board for  
32 expenditure solely to pay the costs of administering this part.

33 (c) The Replacement Benefit Custodial Fund shall also consist  
34 of employer contributions, in amounts equivalent to the benefits  
35 that are not paid from either the retirement fund or the retirement  
36 trust fund of a participating agency to annuitants because of the  
37 application of the payment limitations under Section 415 of Title  
38 26 of the United States Code; and administrative costs assessed to  
39 and paid by members enrolled in the replacement benefit plan.

(d) The board shall determine the amount of employer contributions required for deposit into the Replacement Benefit Custodial Fund, based on all of the following:

(1) The amount of benefits that will not be payable from the retirement fund, or the retirement trust fund of a participating agency, because of the payment limitations in Section 415.

(2) The amount by which an employer's contributions to the retirement fund, or the retirement fund of a participating agency shall be reduced, for annuitants whose benefit payments are limited by Section 415.

(e) The board shall establish within the Replacement Benefit Custodial Fund an individual account for each annuitant whose benefit payments are limited by Section 415. Employer contributions shall be credited to each account as of the date accrued and payable to the account of each annuitant as of the date on which the contribution is made. Replacement benefits shall be debited from each account as of the date paid to each annuitant.

(f) If all sections of this part, except Section 21763 and this section, become inoperative, pursuant to Section 21763, and all acts required and authorized by Section 21763 have been fully performed, any remaining balance in a member's individual account in the Replacement Benefit Custodial Fund shall revert to, and become part of, the trust fund of the retirement system from which the member retired.

~~SEC. 28.—~~

SEC. 32. Section 21761 of the Government Code is amended to read:

21761. The state, school employers, *as defined in Section 20063*, and all contracting agencies under this system shall be deemed to have elected to contract with the board for administration of the replacement benefit plan pursuant to this part. A participating agency may contract with the board for administration to participate in the replacement benefit plan administered by the board, as follows:

(a) A participating agency shall deposit its replacement benefit contributions into the Replacement Benefit Custodial Fund, as the board directs.

(b) At the request of the board, the participating agency shall furnish any data concerning its members the board requires to direct the payment of replacement benefit contributions.

1 (c) A public agency that intends to contract under this section  
2 and become a participating agency shall do so only pursuant to the  
3 procedure set forth in Sections 20469 to 20471, inclusive.

4 (d) The ordinance or resolution by which a public agency  
5 approves a contract under this section shall be filed with the board.  
6 A participating agency under this section shall not maintain any  
7 other replacement benefit plan, except upon the express approval  
8 of the board.

9 (e) A contract entered into under this section may be amended  
10 pursuant to the procedure set forth in Section 20472.

11 ~~SEC. 29.—~~

12 *SEC. 33.* Section 21764 of the Government Code is amended  
13 to read:

14 21764. It is the sole intent of the Legislature, in enacting this  
15 part, to fully comply with the provisions of the Internal Revenue  
16 Code that apply to public retirement systems in order to maintain  
17 and ensure the federal income tax exempt status of the Public  
18 Employees' Retirement System, to elect the "grandfather" option  
19 in Section 415(b)(10) of Title 26 of the United States Code, and  
20 to provide, to the extent deemed reasonable, commensurate  
21 replacement benefits to affected members of this system and of  
22 other participating agencies that elect to contract with this system  
23 for the administration of a replacement benefits plan.

24 The Legislature finds and declares that all costs of local public  
25 agencies and local public retirement systems of complying with  
26 Section 415 of Title 26 of the United States Code are a federal  
27 mandate within the meaning of Section 6 of Article XIII B of the  
28 California Constitution and Part 7 (commencing with Section  
29 17500) of Division 4 of Title 2, as construed in *City of Sacramento*  
30 *v. State of California* (50 Cal. 3d 51).

31 It is the intent of the Legislature, in enacting this part, to not  
32 impose upon local public agencies that are contracting agencies  
33 with this system or upon other local public agencies that elect to  
34 contract with this system for the administration of a replacement  
35 benefits plan, state-reimbursable, state-mandated local program  
36 benefit costs within the meaning of Section 6 of Article XIII B of  
37 the California Constitution and Part 7 (commencing with Section  
38 17500) of Division 4 of this title.

39 If either the Commission on State Mandates or a court  
40 determines that this part imposes upon any local agency



1 state-mandated local program benefit costs, notwithstanding any  
2 other provision of law, no reimbursement therefor shall be made  
3 from the State Mandates Claims Fund pursuant to Part 7  
4 (commencing with Section 17500) of Division 4 of this title or  
5 from any other state fund.

6 ~~SEC. 30.~~—

7 *SEC. 34. Section 22013.98 is added to the Government Code,*  
8 *to read:*

9 *22013.98. For purposes of Section 218(d)(5)(A) of the Social*  
10 *Security Act (42 U.S.C. Sec. 418(d)(5)(A)):*

11 *(a) "Fireman," as used in this part, also includes any employee*  
12 *of the City of Long Beach Fire Department employed in the Marine*  
13 *Safety Division to perform lifeguard services and whose principal*  
14 *duties consist of active protection, rescue, and rendition of aid or*  
15 *assistance to persons injured or imperiled at beaches, lakes, flood*  
16 *control systems, rivers, or other bodies of open water. "Fireman"*  
17 *also includes employees hired to perform duties under the titles of*  
18 *"Superintendent of Marine Safety," "Marine Safety Officer,"*  
19 *"Marine Safety Captain," "Marine Safety Sergeant/Boat*  
20 *Operators," or any equivalent successor class, of which the*  
21 *principal duties are customarily performed by police peace*  
22 *officers and include the maintenance of peace and order and the*  
23 *apprehension of law violators, and whose other duties are*  
24 *customarily performed by firemen, such as resuscitation work*  
25 *involving the use of special equipment.*

26 *(b) "Fireman" as used in this part, excludes persons employed*  
27 *on a seasonal basis or persons who perform clerical, maintenance*  
28 *activities, and others whose primary duties do not include active*  
29 *life guarding or life saving services as described in subdivision (a),*  
30 *even if those persons are occasionally called upon to perform life*  
31 *guarding or life saving services.*

32 *SEC. 35. Section 22819 of the Government Code is amended*  
33 *to read:*

34 *22819. Employees, annuitants, and their family members*  
35 *who become eligible on or after January 1, 1985, for Part A and*  
36 *Part B of Medicare shall not be enrolled in a basic health benefits*  
37 *plan. If the employee, annuitant, or their family member is*  
38 *enrolled in Part A and Part B of Medicare, he or she may enroll in*  
39 *a supplement to Medicare plan. This section shall not apply to*  
40 *employees and family members which are specifically excluded*

1 from enrollment in a supplement to Medicare plan by federal law  
2 or regulation.

3 ~~SEC. 31.—~~

4 *SEC. 36.* Section 22857 of the Government Code is amended  
5 to read:

6 22857. A contracting agency including a school district,  
7 county board of education, personnel commission of a school  
8 district, or a county superintendent of schools that has elected to  
9 be subject to this part:

10 (a) Shall by resolution establish the employer contribution for  
11 employees and the employer contribution for annuitants. The  
12 resolution shall be filed with the board and the contribution shall  
13 be effective at ~~such time as~~ *the time that* is provided in board  
14 regulations.

15 (b) May, notwithstanding Section 22825, establish a lesser  
16 monthly employer contribution for annuitants than for employees,  
17 provided that the monthly contribution for annuitants shall be  
18 annually increased by an amount not less than 5 percent of the  
19 monthly employer contribution for employees, until ~~such time as~~  
20 *the time that* the employer contribution for annuitants equals the  
21 employer contribution paid for employees.

22 This subdivision shall only apply to agencies who first become  
23 subject to this part on or after January 1, 1986.

24 *SEC. 37.* Section 31657 of the Government Code is amended  
25 to read:

26 31657. Subject to Section 20588, whenever, as a result of the  
27 assumption by a county, fire authority, or district of firefighting or  
28 law enforcement functions performed by a public agency *or the*  
29 *state* subject to the Public Employees' Retirement Law, any person  
30 ceases to be employed by a public agency *or the state* and is  
31 employed by a county, fire authority, or district in which this  
32 chapter has become operative, that person shall become a member  
33 of the retirement-~~association~~ *system* of a county immediately upon  
34 ~~entrance to the~~ *entering* county service. That member of the  
35 county retirement system shall be entitled to service credit in the  
36 county retirement system for the service for which he or she was  
37 entitled to credit in the Public Employees' Retirement System at  
38 the time of cessation of employment by the public agency *or the*  
39 *state*, without necessity of payment of any additional contributions  
40 in respect to that service, when and if all of the following occur:

1 (a) The board of retirement receives certification from the  
2 Board of Administration of the Public Employees' Retirement  
3 System of the service with which the person was entitled to be  
4 credited by the Public Employees' Retirement System at the time  
5 of cessation of his or her public agency *or state* employment.

6 (b) There is paid into the county retirement fund of the county,  
7 an amount equal to the normal contributions of the person to the  
8 Public Employees' Retirement System, together with all interest  
9 credited thereto, which amount shall be credited to the individual  
10 account of the member in the county retirement system, and shall  
11 thereafter for all purposes be deemed to be the member's  
12 contribution to the county retirement system with respect to the  
13 service so certified.

14 (c) There is paid to the retirement system of the county an  
15 amount equal to all contributions of the public agency *or the state*  
16 made to the Public Employees' Retirement System on account of  
17 service rendered by the person together with interest credited to the  
18 public agency *or the state* thereto.

19 (d) The board of retirement elects to apply this section as a  
20 prudent means of mitigating against potential adverse financial  
21 impact upon the county retirement system from the cost of  
22 disability retirements that may be applied for in the future by  
23 persons injured while being employed by the county, fire  
24 authority, or district after ceasing to be employed by a public  
25 agency *or the state* as a result of the assumption by a county, fire  
26 authority, or district of firefighting or law enforcement functions.

27 This section shall apply in a county of the first, the second, or  
28 the fourteenth class, as defined by Section 28020, as amended by  
29 Chapter 1204 of the Statutes of 1971, and Section 28022, as  
30 amended by Chapter 43 of the Statutes of 1961, and Section 28023,  
31 as amended by Chapter 1204 of the Statutes of 1971.